

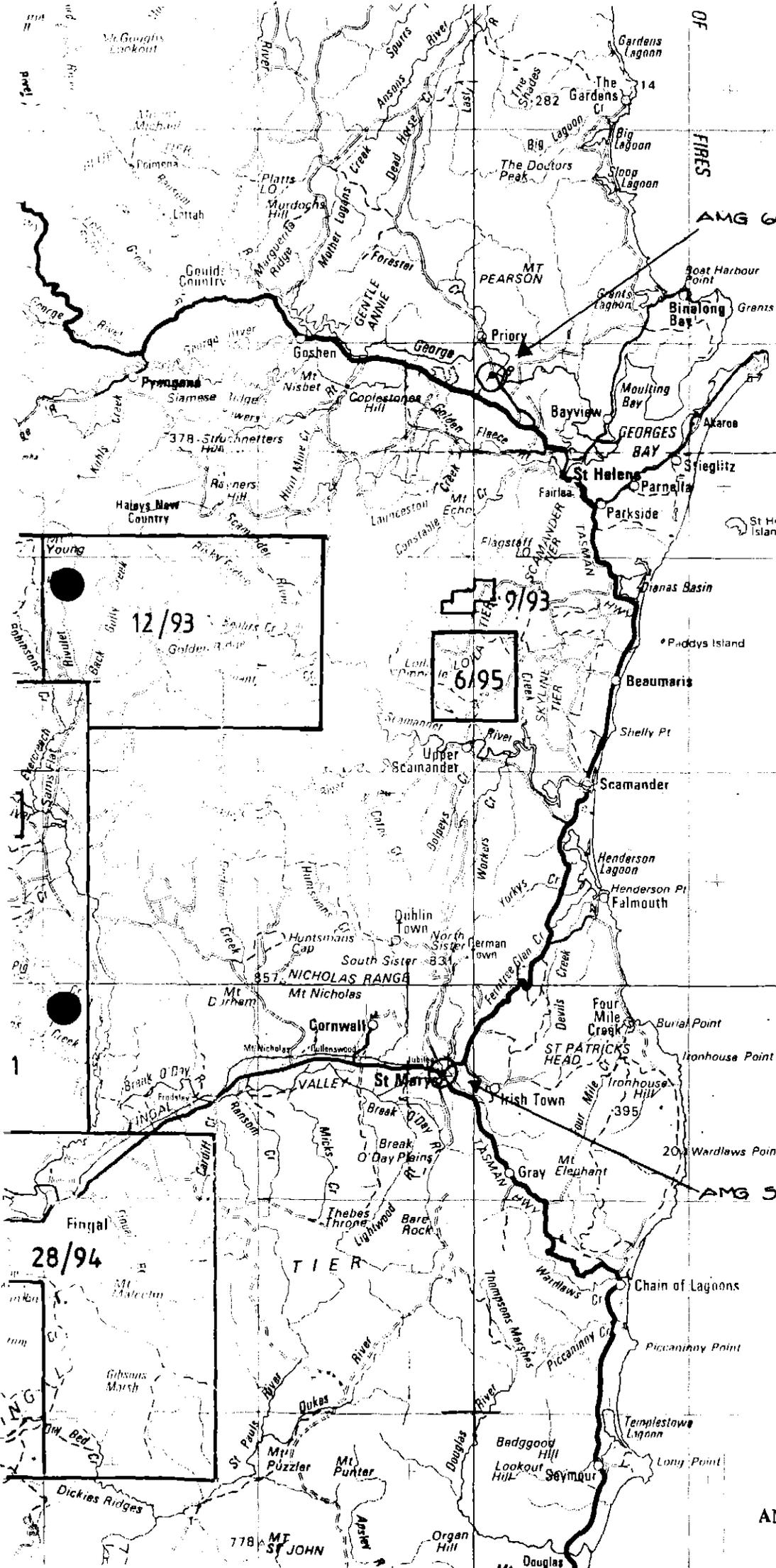
756002

110'
44
43
20'
42
41
30
40
39
40'
38

AMG 600900E, 5428600N

AMG 598700E, 5395950N

AMG REFERENCE POINTS ADDED



12/93

6/95

28/94

MT PEARSON

St Helens

St Marys

778 MT ST JOHN

AMG 600900E, 5428600N

AMG 598700E, 5395950N

AMG REFERENCE POINTS ADDED

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SUMMARY

Mancala Pty Ltd took up Exploration Licence EL 9/93 to cover a 2.5 kilometre length of the Loila Tier Fault, within which previous workers (Ruxton 1984) reported an occurrence of tin mineralisation assaying over 3% Sn in grab samples from a small exploratory pit on the western slopes of Loila Tier.

At this time, Mancala was negotiating to purchase the Anchor Tin Mine, relatively nearby at Lottah, north of Pyengana, for which it would have been desirable to have a supplementary source of relatively high grade ore to blend with the low grade feed (about 0.5% Sn) from the Anchor orebody. Preliminary exploration of the locality that yielded the 3% Sn was encouraging, in that this grade was repeated in another grab sample.

The Exploration Licence was granted on the 26th November 1993.

In December 1993 two costeans already flanking the pit which yielded the anomalous samples were excavated deeper, and four percussion holes were drilled in the vicinity. One of these holes traversed a zone of anomalous (10 x background) tin values about 8 metres wide, which coincided with the Loila Tier Fault zone.

The results encouraged further work, but other projects, including the reopening of Anchor Mine, required the attention of limited company resources. Therefore, no work of consequence has been done on the Exploration Licence in the past year.

1. INTRODUCTION

In 1994, Mancala Pty Ltd purchased Spectrum Resources Australia Pty Ltd from its New Zealand parent company. The primary asset of the latter company was Anchor Tin Mine, in Northeastern Tasmania.

Anchor Mine works disseminated cassiterite mineralisation in a granite greisen host, in an orebody grading about 0.5% Sn. At such a low grade, and in consideration of external factors, such as the tin price and the monetary exchange rate, the operation could benefit from a supplementary source with better grade (Renison Mine, for instance, works at a 1+% Sn head grade). Therefore, it was considered desirable that an auxiliary supply of higher grade ore be found in trucking distance of the mine. A literature search in the Mines Department Library suggested a couple of prospects in Mathinna Beds intruded by Devonian granite, south of St Helens. One of these was the Loila Tier Fault, pinpointed by Shell Minerals (Ruxton 1984). The Loila Tier Fault hosts several small shows of sulphides: galena, sphalerite, chalcopyrite and arsenopyrite, together with wolframite, at Williams Prospect at the eastern end of the exposed fault, and cassiterite at the western end. Ruxton (1984) suggested the tin mineralisation at the western end indicated proximity of an underlying greisen, at the top of the intruding granite.

Mancala took out an Exploration Licence of 2.25 square kilometres in late 1993 to cover the Loila Tier Fault from east of Williams Prospect to west of the Loila Tier Prospect.

Four percussion holes were drilled in December 1993 on the Loila Tier Prospect, in the vicinity of the pit from which a reported (Ruxton 1984) sample assaying 3% Sn was repeated in Mancala's sampling. Concurrently, costeans at this locality were deepened by excavator. The presence of the fault was indicated by a zone in one of the holes, in which the tin values were anomalous, in the order of ten fold of background. The technique probably smeared the grades to some extent (though the same percussion drilling sampling technique used at Anchor Mine clearly indicates the more subtle grade changes, as well as the obvious ones). These activities were reported in the 1993/1994 Annual Report, in which some follow-up diamond drilling was proposed.

The costeans were subsequently filled in again.

Since the personnel and machinery resources of Mancala have been wholly engrossed in drilling elsewhere and in reopening the Anchor Mine, there has been

no significant exploratory work on the EL. Such activities that occurred were of a caretaking nature in site visits, to check on the effects of rehabilitation on the track (in which grips had been re-cut) and costeans.

2. RECOMMENDATION

It was recommended in the last Annual Report that at least one diamond drill hole should be sited to target beneath the 'discovery' pit. This proposal still stands. The drilling should be designed to ascertain the depth of the underlying granite, and to test the top of the postulated granite cupola (Ruxton 1984) for its potential as a tin-bearing greisen. The Loila Tier Fault itself should be tested to see if it might contain a spike of mineralised fissure-fill greisen. In this environment is the potential for higher grade material (1+% Sn), and such potential is enhanced by the mining opportunity provided by favourable topography, and the un-pristine nature of the largely clear-felled terrain.

REFERENCE

Ruxton, P.A. 1984. E.L. 12/78 - Scamander. Progress Report on Exploration During the Period 1/9/83 to 1/8/84. Annual Report to the Department of Mines. Shell Co. of Australia Ltd; Billiton Australia; Broken Hill Pty Co Ltd.